

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2625**

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**Introduced by Assembly Member Solorio**

February 24, 2012

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An act to *amend Section 69992 of the Education Code, and to add Sections 18409.1 and 18511 to, and to add Chapter 3.5 (commencing with Section 18900) to Part 10.2 of Division 2 of, and to add Section 19304 to, the Revenue and Taxation Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2625, as amended, Solorio. *Golden State Scholarshare Trust: Franchise Tax Board: returns: Scholarshare: returns.*

The Golden State Scholarshare Trust Act establishes the Golden State Scholarshare Trust, under the administration of the Scholarshare Investment Board, ~~to provide financial aid for postsecondary education costs of participating students~~ *which provides methods by which an individual can contribute to an account for paying specified costs for a student for postsecondary education and requires the board to market the program to Californians.* Existing law requires the Franchise Tax Board to make a refund to a taxpayer of any overpayment of taxes. Existing law authorizes taxpayers to contribute their refunds for the support of specified funds or accounts.

This bill would authorize ~~a taxpayer~~ *an individual* to designate on the tax return that a contribution in excess of tax liability, as specified, be deposited by the Franchise Tax Board to the credit of the ~~taxpayer's Scholarshare individual's qualified tuition program account under the Golden State Scholarshare College Savings Trust program account, as defined.~~ This bill would require the Franchise Tax Board to revise the

form of the return to include the necessary information that will allow a taxpayer *an individual* to make this designation, as provided.

This bill would ~~also require the board~~ *Franchise Tax Board* to revise the taxpayer return form to ~~allow a taxpayer to open a Scholarshare qualified tuition program account under the Golden State Scholarshare College Savings Trust program, and would require the Scholarshare Investment Board to provide the board with the necessary information needed to revise that form~~ *allow an individual to request information about qualified tuition programs, and would also require the Franchise Tax Board and the Golden State Scholarshare Trust to provide information to taxpayers on their respective Internet Web sites and marketing materials regarding the qualified tuition program designation on the income tax return.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 69992 of the Education Code is amended*  
2     *to read:*

3     69992. (a) The board shall aggressively market this program  
4     to the citizens of the State of California. The board shall include  
5     in its marketing efforts information designed to educate citizens  
6     about the benefits of saving for higher education and information  
7     to help them decide the level of Scholarshare participation and the  
8     combination of savings strategies that may be appropriate for them.  
9     The board shall also develop a mechanism to keep participants in  
10    this program motivated about their current and future academic  
11    endeavors.

12    (b) *The board shall include information regarding the direct*  
13    *deposit program established by Chapter 3.5 (commencing with*  
14    *Section 18900) of Part 10.2 of Division 2 of the Revenue and*  
15    *Taxation Code on its Internet Web site and within its marketing*  
16    *materials.*

17    SEC. 2. *Section 18409.1 is added to the Revenue and Taxation*  
18    *Code, to read:*

19    18409.1. *The Franchise Tax Board shall include information*  
20    *regarding the direct deposit program established by Chapter 3.5*  
21    *(commencing with Section 18900) on its Internet Web site and*  
22    *within its marketing materials.*

SEC. 3. Section 18511 is added to the Revenue and Taxation Code, to read:

18511. (a) (1) The Franchise Tax Board shall revise the individual taxpayer return form, for returns required to be filed pursuant to this article, to allow a taxpayer to request information regarding the Scholarshare qualified tuition program under the Golden State Scholarshare College Savings Trust program and other qualified tuition programs as defined in Section 529 of the Internal Revenue Code.

(2) The request for information described in paragraph (1) shall be located near the voluntary contribution checkoff described in Chapter 3.5 (commencing with Section 18900) and shall include the following written information:

“If you are interested in receiving information regarding the Scholarshare qualified tuition program and other qualified tuition programs and how to sign up for a qualified tuition program, please check here.”

(b) The Franchise Tax Board, with the assistance of the Golden State Scholarshare College Savings Trust, shall provide taxpayers who request information pursuant to this section with information regarding the Scholarshare qualified tuition program under the Golden State Scholarshare College Savings Trust program and other qualified tuition programs as defined in Section 529 of the Internal Revenue Code.

#### SECTION 4.

SEC. 4. Chapter 3.5 (commencing with Section 18900) is added to Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

### CHAPTER 3.5. DIRECTED DEPOSITS

18900. (a) ~~A taxpayer~~ An individual may designate on the tax return that a contribution in excess of tax liability, if any, be deposited to the credit of the ~~taxpayer's Scholarshare individual's~~ qualified tuition program account ~~under the Golden State Scholarshare College Savings Trust program.~~

(b) The designation shall be allowed only if the designation is a full dollar amount that is in excess of one dollar (\$1).

(c) The Franchise Tax Board shall revise the form of the return to include a space to allow the designation permitted under subdivision (a), and any other information that may be necessary to carry out this chapter, including, but not limited to, the following:

(1) The amount of the designation.

(2) The routing number and account number of the ~~Scholar share~~ qualified tuition program.

(d) If the tax payments and the designation reported on the return do not exceed the tax liability, if any, shown thereon, the tax return shall be treated as though the designation had not been made.

~~(e) The designation authorized under subdivision (a) shall be limited to one Scholar share qualified tuition program per return.~~

~~(f) For purposes of this section, "Golden State Scholar share College Savings Trust" has the meaning set forth in subdivision (e) of Section 69980 of the Education Code.~~

*(e) For purposes of this section, "qualified tuition program" means a Scholarshare qualified tuition program or a qualified tuition program as defined in Section 529 of the Internal Revenue Code.*

18901. If ~~a taxpayer~~ *an individual* designates a voluntary contribution pursuant to Chapter 3 (commencing with Section 18701) 18711) and a directed deposit pursuant to this chapter, and the amount in excess of tax liability is less than the total amount designated, the amount in excess of tax liability shall be allocated among the designees on a pro rata basis.

~~SEC. 2. Section 19304 is added to the Revenue and Taxation Code, to read:~~

~~19304. (a) The Franchise Tax Board shall revise the taxpayer return form, for returns required to be filed pursuant to Article 1 (commencing with Section 18501) of Chapter 2 of Part 10.2 of Division 2, to allow a taxpayer to open a Scholar share qualified tuition program account under the Golden State Scholar share College Savings Trust program.~~

~~(b) The Scholar share Investment Board shall provide the Franchise Tax Board with the necessary information needed to revise the taxpayer return form to allow a taxpayer to open a Scholar share qualified tuition program account under the Golden State Scholar share College Savings Trust program.~~

1     ~~(e) For purposes of this section, “Golden State Scholar share~~  
2     ~~College Savings Trust” has the meaning set forth in subdivision~~  
3     ~~(e) of Section 69980 of the Education Code.~~

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